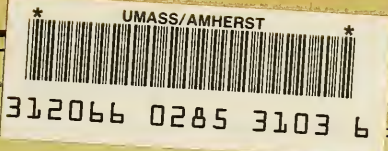


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ELEVENTH ANNUAL REPORT
OF THE
FINANCE COMMISSION
FOR THE
YEAR 1919-20

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PUBLICATION OF THIS DOCUMENT
APPROVED BY THE
SUPERVISOR OF ADMINISTRATION.

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THE FINANCE COMMISSION.

GEORGE A. FLYNN, *Chairman*.


JAMES M. MORRISON.

JOHN F. MOORS.

COURTENAY GUILD.

J. WALDO POND.

OFFICE 410-416 TREMONT BUILDING, BOSTON.



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The Commonwealth of Massachusetts

REPORT OF THE FINANCE COMMISSION.

BOSTON, Jan. 31, 1920.

To the Honorable the Senate and House of Representatives in General Court assembled.

The Finance Commission submits herewith its report for the year 1919-20, as required by section 18 of chapter 486 of the Acts of 1909.

1. ORGANIZATION OF THE COMMISSION.

During the year there has been a change in the office of chairman of the Commission. On Feb. 15, 1919, John R. Murphy resigned to accept the office of fire commissioner of the city of Boston, and George A. Flynn, formerly assistant corporation counsel of the city, was appointed by the Governor on Feb. 19, 1919, to fill the vacancy. Mr. Flynn took office on March 1 and on the expiration of the term of the former chairman was appointed by the Governor for five years on June 18, 1919.

Increases of salary in the sum of \$100 each were granted to the investigator and the two stenographers of the Commission.

2. APPROPRIATION AND EXPENDITURES.

The Commission requested and was granted the statutory appropriation of \$30,000 at the beginning of the fiscal year.

The expenditures have been as follows: —

Total net appropriation, \$30,000 00

Expenditures: —

Salaries, permanent employees,	\$18,116 68	
Salaries, temporary employees,	881 63	
Printing and binding,	1,145 80	
Postage,	75 84	
Transportation of persons,	34 03	
Light,	64 60	
Rent,	3,068 71	
Communication,	410 61	
Cleaning,	36 00	
Experts' services,	3,659 28	
Fees, services of venires, etc.,	135 62	
Photographing,	12 00	
General plant,	59 52	
Furniture and fittings,	215 92	
Office equipment,	29 40	
Library equipment,	79 68	
Office supplies,	282 77	
Testing materials,	30 00	
Ice,	24 00	
	<hr/>	28,362 09
Unexpended balance,		\$1,637 91

3. WORK OF THE COMMISSION.

During the past year the Commission has held 41 meetings; there have been 191 hearings, 3 being public hearings; and 242 witnesses have been examined in various matters affecting the interests of the city of Boston.

All the members of the Finance Commission, except the chairman, serve without pay. The meetings of the Commission have been attended by every member, except in cases where sickness or other imperative reasons have prevented some members from attending.

The Commission has issued 72 reports and communications, of which 31 were published and 41 unpublished.

The published reports were as follows: —

1919.

- Feb. 7. The Mayor. — Regarding the annual contracts for patch paving on the city's streets.
- Mar. 13. The Committee on Metropolitan Affairs. — Regarding proposed change in the tax limit of Boston.
- Mar. 17. The Senate. — Regarding Senate Bill No. 365, the so-called two-platoon bill, providing for a day and a night force in the fire department.
- Mar. 24. The Senate. — Regarding Senate Bill No. 373, providing for borrowing money inside or outside the debt limit for the construction of a street and otherwise improving conditions at the North End.
- Mar. 24. The Mayor. — Regarding the letting of contracts for a less sum than \$1,000 but more than \$100.
- Apr. 2. The Mayor. — Regarding acceptance of chapter 55 of the Special Acts of 1919, providing for an increase in the pensions of city employees.
- Apr. 21. The Mayor. — Transmitting the report of Calvin Derrick on conditions at the Charles Street jail.
- May 8. The Mayor. — Regarding bids and specifications for coal tar and bituminous road binders.
- May 10. The Mayor and City Council. — Regarding acceptance of chapters 46 and 141 of the Special Acts of 1919, providing respectively for payment of a pension to Timothy R. Sullivan and an annuity to the widow of Thomas H. Lynch.
- May 14. The Mayor. — Regarding the payment of bills of J. J. Hurley & Co. and of the Pennsylvania Tile and Construction Company for work at Long Island.
- May 17. The Mayor. — Regarding the immediate appointment of an architect to fill the vacancy on the schoolhouse commission.
- June 24. The Mayor. — Regarding leases of Faneuil Hall and Quincy markets.
- July 16. The Committee on Cities. — Regarding proposed increase of pensions to four beneficiaries of the police department, as provided in Senate Bill No. 638.
- July 18. The Mayor and City Council. — Regarding pending loan orders for playgrounds.
- July 19. The Mayor. — Regarding the purchase of a large asphalt mixing plant.
- Sept. 2. The Mayor. — Repurchase of non-asphaltic road oil by the city.
- Sept. 6. The Mayor and City Council. — Regarding the abandonment of the house of correction at Deer Island and the transfer of the inmates to State control.
- Sept. 10. The Mayor and City Council. — Regarding the statement of the penal commissioner in regard to abandoning Deer Island.

1919.

- Sept. 20. The Mayor and City Council. — Regarding the proposal to abolish the office of clerk of committees.
- Oct. 18. The Mayor and City Council. — Regarding proposed alterations and improvements at the Charles Street jail.
- Oct. 21. The Mayor. — Regarding acceptance of the act providing for a two-platoon system in the fire department.
- Oct. 31. The Mayor. — Regarding methods employed by the Bermudez Company for laying sheet asphalt on Conant, Smith and Parker streets, Roxbury.
- Nov. 7. The Mayor. — Regarding saving by purchasing current from the Edison Electric Illuminating Company for light and power at City Hall and City Hall Annex.
- Nov. 12. The Mayor. — Regarding acceptance of act providing for the payment of a pension to Bernard J. Kelley, formerly employed as a police officer.
- Nov. 25. The Mayor and City Council. — Regarding increased rentals for Faneuil Hall and Quincy markets.
- Dec. 3. The Committee on Municipal Finance. — Regarding bills providing for increases in salaries of teachers and other employees of the Boston School Committee.
- Dec. 5. The Mayor. — Second report regarding paving contract of the Bermudez Company for work on Conant, Smith and Parker streets, Roxbury.
- Dec. 8. The Committee on Municipal Finance. — Regarding proposed increase of \$5 in the city's tax limit.
- Dec. 13. The Mayor. — Regarding abandonment of the Suffolk School for Boys.
- Dec. 15. The General Court. — Regarding bills providing for increases in salaries of teachers and other employees of the Boston School Committee.

1920.

- Jan. 16. The Mayor. — Regarding the collection of refuse in the contract districts of the city, and the proposed contract forms for 1920-21.

The unpublished reports were as follows: —

1919.

- Feb. 3. The Committee on Cities. — Asking for opportunity to submit a report on the acceptance of Senate Bill No. 218, providing for the payment of a pension to Bernard J. Kelley, a former police officer.
- Feb. 4. The Committee on Cities. — Opposing Senate Bill No. 176, providing for the reinstatement of John W. Leahon in the public works department.

1919.

- Feb. 4. The Committee on Cities. — Opposing House Bill No. 452, providing for payment in cash to employees working overtime.
- Feb. 4. The Committee on Cities. — Opposing House Bill No. 271, providing for payment of a sum of money to the widow of Ellison B. Cushing.
- Feb. 4. The Committee on Cities. — Opposing House Bill No. 569, providing for the reinstatement of William F. Johnson in the fire department.
- Feb. 4. The Committee on Cities. — Opposing House Bill No. 684, providing for the reinstatement of Edward W. Chase in the public works department.
- Feb. 4. The Joint Committee on Judiciary. — Opposing Senate Bill No. 46, establishing the office of public defender in Boston municipal courts, and Senate Bill No. 149, providing counsel for indigent defendants.
- Feb. 7. The Mayor. — Regarding the settlement of bills of Crowley & Hickey for work on certain fire houses.
- Feb. 7. The Mayor. — Regarding form of contracts and specifications for collection of refuse in contract districts of the city.
- Feb. 7. The Mayor. — Regarding letter of A. F. Rhodes and the history of granite block paving in Boston.
- Feb. 18. The Mayor. — Regarding proposed removal of city's force at the North End paving yard to the sanitary yard in the West End.
- Feb. 18. The Mayor. — Regarding claim of the John E. Leahy Construction Company against the city.
- Feb. 20. The Penal Commissioner. — Regarding bill of Dr. J. H. Strong for services at Deer Island during the influenza epidemic.
- Mar. 7. The Committee on Metropolitan Affairs. — Regarding Senate Bill No. 265, providing that printing and supplies for county departments be furnished by the city printing department.
- Mar. 8. The Corporation Counsel. — Regarding the settlement of the bills of Crowley & Hickey for work on certain fire houses.
- Mar. 26. The Mayor. — Opposing acceptance of chapter 42 of the Special Acts of 1919, providing for the payment of a pension to Thomas J. Downey.
- Apr. 2. House of Representatives. — Regarding Senate Bill No. 373, providing for the borrowing of \$5,000,000 for improvements at the North End.
- Apr. 3. House of Representatives. — Opposing the two-platoon bill system in the fire department.
- Apr. 3. The Mayor. — Regarding the establishment of a playground at the South End.

1919.

- May 7. The Mayor. — Regarding increases of salaries proposed for probation officers.
- May 10. The Committee on Education. — Regarding House Bill No. 1647, providing for the borrowing of \$750,000 for the erection of a new Public Latin School.
- May 16. The Mayor. — Regarding proposed purchase of motor fire apparatus from the American La France Fire Engine Company.
- May 27. The Governor. — Regarding the method of apportioning the deficit of the Boston Elevated Railway Company among the cities and towns served thereby.
- June 3. The Mayor. — Regarding methods employed in city collector's office.
- June 9. The Mayor. — Regarding increased pensions to janitors and attendance officers of the school department.
- June 26. The Mayor. — Regarding establishment of pension fund for library employees from fine money.
- June 26. The Mayor. — Regarding sale of four voting booths by the election department.
- June 27. The Corporation Counsel. — Transmitting the report of the consulting engineer on the claim of John A. Costello against the city of Boston.
- June 30. The Mayor. — Regarding bill of Bay State Flag Company for decorating city's grand stand the day of the parade of the Twenty-sixth Division.
- July 10. The Chairman of Senate Committee on Ways and Means. — Regarding House Bill No. 1900, providing for the consolidation of State departments.
- Aug. 13. The Mayor. — Second report on the establishment of a pension fund for library employees.
- Sept. 4. The Mayor. — Regarding acceptance of chapter 68, Resolves of 1919, providing for payment of a sum of money to the widow of Robert Herter.
- Sept. 5. The Mayor. — Regarding a report on salaries for city employees.
- Nov. 6. The Commissioner of Public Works. — Transmitting report of the consulting engineer on section 10 of Stony Brook conduit.
- Dec. 19. The Mayor. — Regarding the construction of granolithic sidewalks at Winthrop Square, Charlestown.
- Dec. 20. The Mayor. — Regarding the method of purchasing cast-iron traps for catch basins.
- Dec. 23. The Mayor. — Regarding cost of repairs to the steamer "George A. Hibbard."
- Dec. 29. The Mayor. — Regarding the wisdom of installing oil-burning apparatus at the City Hospital and possible savings thereby.

1920.

- Jan. 2. The Mayor. — Regarding the purchase of bathing suits and towelling material by the supply department for the park and recreation department.
- Jan. 3. The Mayor. — Transmitting report of the consulting engineer on the proposed repairs to the "Noddle Island" ferryboat.
- Jan. 22. The Mayor. — Transmitting report of James H. Smyth in regard to the reorganization of the city's printing plant.

4. THE MOST IMPORTANT REPORTS OF THE COMMISSION.

The work of the Commission during the year has consisted of the examination of the budgets and reports thereon submitted to the mayor and city council, reports to the Legislature and appearances before its committees, the investigation of certain departments and reports thereon, and the examination of contracts and purchases of supplies and of witnesses in relation thereto. The more important items of the work of the Commission follow: —

Budget Reports.

The Commission, through its staff, examined the budget requests of all city and county departments. This work, as in previous years, required the examination in detail of the amount requested under each item in the segregated budget and occupied the greater part of the time of the staff of the Commission for a period of two or three months.

The result of its work was, in the first instance, submitted to the mayor and was used by him in passing upon the requests of the several departments. The information thus given to the mayor was stated by him to have been of great value and assistance in reducing the requests for appropriations made by the heads of the departments. These reports contain practically the only information which the mayor receives in the nature of a critical survey of the requests of the heads of departments.

Many of the recommendations of the Commission were accepted by the mayor and very substantial reductions were made in the budget.

Copies of the reports were given to the members of the city council after the mayor had submitted the budget to it.

The chairman of the Commission attended the budget hearings of the city council, and, when requested by the council, explained its recommendations which had not been accepted by the mayor. The hearings were largely perfunctory, the only real interest displayed by several members of the council being to obtain increases in salary for certain employees who had not been granted increases in compensation.

The Commission believes that this was an improper interference with the functions of heads of departments, was a violation of section 8 of chapter 486 of the Acts of 1909, which provides that the city council shall not take part in the employment of labor or in the conduct of the executive or administrative business of the city and county, and tends to impair the authority of the heads of departments in the conduct of their departments.

The city council made no reductions in the appropriations for the city departments as submitted by the mayor and reduced the county budget in the sum of \$5,126.39.

Legislative Reports and Hearings.

The matters involving the finances of the city before the regular and special sessions of the 1919 Legislature were of great importance.

Several special pension bills on which the Commission filed adverse reports were enacted by the Legislature and accepted by the city council only to be vetoed by the mayor on recommendation of the Commission. Other acts seeking sums of money for relatives of city employees were rejected by the mayor on the advice of the Commission.

The pension question is becoming one of first importance and will shortly require extended study. This is shown by the great increase in the expenditure therefor, which has increased from \$8,109 in 1879 to \$663,362.30 in 1918.

The Two-platoon Bill.

The firemen have for many years petitioned the Legislature for a law dividing the fire-fighting forces into day and night units. This legislation, although opposed by several public bodies, including the Finance Commission, was enacted last year with a referendum to the voters of the cities and towns.

The question appeared on the city ballot at the last State election and was rejected by the voters. In order that all the facts relative to the work of the firemen and the effect on the department by the adoption of the two-platoon system both as to cost and efficiency of personnel might be known to the public, the Commission made a comprehensive examination of and report on the work of the fire department. The facts stated in this report were given wide publicity by the newspapers and also furnished some of the material used by public bodies in their campaign against the adoption of the system.

The Commission believes that, as the voters have definitely rejected the system, they should not annually be asked to vote on the merits of this measure. The city has ample authority to adopt the two-platoon system by ordinance if it is thought advisable, and then to reject it if, upon trial, it is found undesirable. The Commission believes that the city of Boston should be exempted from the provisions of the act passed last year.

School Legislation.

The school committee requested legislation at the regular session for an increase in its appropriating power, partly because of the reduction of the average of the valuations of the city on account of the exclusion therefrom of the valuation of incomes and intangible personal property, and also because the increase of appropriating power granted in 1918 was insufficient to meet increases in salaries granted at that time, and the increased cost of materials and supplies. The Commission investigated carefully this request and found no reason to oppose it.

The school committee also petitioned for authority to borrow money for the construction of a new Public Latin School. This was a departure from the policy of constructing school-houses out of funds from the tax levy as recommended by the Finance Commission and embodied in chapter 267 of the Special Acts of 1916.

The Commission investigated the building requirements of the school department and found that the funds available were needed for the construction of elementary and suburban high school buildings; that a new Latin School was required; that it was not possible to construct it out of the annual funds

available under the tax levy; and that it was an unusual expenditure which could not properly be classed as a recurrent expense. The Commission did not oppose the borrowing of money within the debt limit for this purpose.

During the summer of 1919 the Elementary School Teachers' Association requested the school committee for an annual increase of \$288, which was, with requests from other grades of teachers, carefully considered by the school committee. The school committee petitioned the special session of the Legislature for an increase in its appropriating power sufficient to grant increases to all the employees of the department, ranging in amount from \$72 to \$384 annually in the teaching force, and as high as \$756 in the supervising and administrative forces. The schedule proposed by the school committee will increase the cost of the schools by \$1,500,000.

The teachers endeavored, by a public campaign throughout the State, to obtain legislation requiring a flat increase of \$600 to all teachers in all grades. In this they were unsuccessful, though a very strenuous campaign was waged to obtain it. The Commission reported to the Legislature that the amount requested by the elementary teachers in June was a proper and adequate increase and that the proposed schedule of the school committee should be reduced 25 per cent, eliminating all increases to those whose maximum was in excess of \$4,212.

The Legislature finally adopted the measure proposed by the school committee and the salary increases have been put in effect. Under the new salary schedule the city's annual school expenditure will amount to \$10,000,000.

The Tax Limit.

The mayor petitioned the regular session of the Legislature for an increase of \$3 in the tax limit for the year 1919. This was opposed by the Commission on the ground that by economy in the administration of the city substantial savings could be effected and that an increase of \$2 would supply ample funds to maintain the departments. The Legislature granted the request of the mayor.

The appropriations of the city were such that with the addition of the city's share of the deficit of the Elevated, the

tax rate for the year amounted to \$23.60. The rate would have been higher, except that the State tax on incomes over \$2,000, plus exemptions, was increased from \$15 to \$25 per thousand. This increase correspondingly increased the amount received by the city from the State and thereby decreased the rate on real estate and tangible personal property.

The mayor petitioned the special session of the Legislature for an increase of \$5 in the tax limit for the years 1920 and 1921, which was opposed by the real estate interests of the city and by the Commission. The Commission based its opposition on the fact that the necessity for so large an increase in the tax limit, which is virtually an increase in the amount which the city is authorized to appropriate for the maintenance of the city departments, exclusive of the schools, could not be even approximately determined until the end of the fiscal year, when the amount of the surplus cash in the treasury would be known, and until an opportunity was afforded to examine carefully the appropriations requested by the departments.

The Legislature finally granted the mayor an increase of \$4. While it is not yet definitely known how much free cash there will be in the treasury at the end of the fiscal year, it is estimated that it will be \$3,769,478, and that the department appropriations will show unused balances amounting to \$494,689.

In view of the fact that substantial increases were granted to employees in several grades during the year, this surplus would seem to show irrefutably that the department heads had not accurately forecasted their needs and that the budget could have been reduced materially.

The Tax Rate.

The large tax rate for 1919 (\$23.60) is due in part to the amount of the deficit of the Elevated which the city was called upon to pay and which added \$2,905,930.87 to the tax. Another factor of importance was the passage of the educational bill, so called, which appropriated over \$3,000,000 of the funds received by the State from the income tax to what was really a payment of bonuses to those municipalities that paid to teachers in certain grades established minimum salaries. This

bill was opposed by the Commission, the city authorities, and many others on the ground that the State should grant aid for educational purposes only to those municipalities which after investigation were shown to have provided out of their own resources all that could reasonably be expected of them, and that such sum was not adequate to provide proper educational facilities.

The effect of this legislation has been to reduce the city's distributive share of the income tax by about \$650,000, which has increased the tax rate about 43 cents.

The Commission believes that the present high tax rate is a deterrent to the growth and prosperity of the city and that every effort should be made to reduce the present high cost of government.

Poll Taxes.

The city has never successfully collected poll taxes. Various reasons have been advanced for the failure to collect these taxes, but in view of the fact that several cities collect from 90 to 95 per cent of their poll taxes, the failure to collect more than from 25 to 30 per cent can be attributed only to a lack of efficiency in the collector's office. This is clearly shown by the recent activity in the collector's office, which has resulted in a distinct improvement in collections.

The Commission during the year recommended in a public report that the bills be distributed by the police, which was done and resulted in a large increase in payments immediately following the distribution of the bills, and released the deputies from the burden of distribution, thus increasing their time for the actual collection of unpaid taxes.

The Commission in December, 1919, when the mayor was petitioning for an increase in the tax limit of the city, reported to the committee on municipal affairs that the collector's office should make a real effort to collect these taxes. The criticism of the Commission resulted in a real effort at collections being made, with the result that on Jan. 20, 1920, 36.4 per cent of the poll taxes of 1919 had been collected, whereas in former years only 15.9 to 26.6 per cent had been collected. In addition, for the first time in many years the Collector issued a large number of warrants for the arrest of those who had not paid their poll taxes.

The collecting force has also increased its activities in the collection of unpaid real estate taxes with great success. Thus on Jan. 20, 1920, 82.5 per cent of the 1919 realty taxes had been collected, whereas last year on the corresponding date only 79 per cent had been collected, and two years ago, 70.7 per cent. This increase of 3.5 per cent represents approximately \$1,350,000 additional collected. The percentage collected by the end of the fiscal year will probably approach 85 per cent of the total tax warrant.

The result of the recent efforts of the collector's office proves beyond question that the failure to collect poll taxes in the past was due to the failure to make a real effort to collect them.

Much, however, remains to be done in the collector's office, as the present activity, unless continued, may resolve itself into only a spurt of industry and the office return to a state of inactivity. The Commission has recommended that the methods and organization of the collector's office be examined by the State Bureau of Statistics. This bureau has examined the office methods of several tax collectors in Massachusetts and is competent to undertake the work in Boston. The recommendation, although made on June 3, 1919, has not been adopted by the city.

The Suffolk School for Boys.

The Commission has on several occasions during the past ten years recommended that this institution be abandoned.

The care of all female minor wards and of all minor boys, except those at the Suffolk School on Rainsford Island, rests with the State. The city, through the State tax, pays practically 30 per cent of their cost and all the expenses of the Suffolk School. This is an unjust and unequal burden which, coupled with the established fact that neither the location of the Suffolk School nor its equipment is proper and adequate, would seem to require its abandonment and the transfer of the care of its inmates to the State.

The Commission renewed its former recommendations recently when a contract for the construction of a new building for the school, to cost approximately \$138,000, was before the mayor for approval. The mayor has adopted this recommen-

dation by instructing the trustees not to accept any more commitments, which, as the present inmates' period of probation expires, will automatically depopulate the school within a year.

The benefits of this reform will be twofold; the expenditures of the city will be reduced \$50,000 annually, and the boys will be better cared for under the more complete equipment and opportunities for reform provided at the State institutions.

Deer Island House of Correction.

This institution has had an unsavory history. Many scandals have been associated with its administration in the past and it has been the subject of several investigations. Its population has greatly decreased during the last few years, falling from 1,582 in 1904 to 335 in 1919, due among other causes to probation and prohibition.

The Commission made a survey of the State and county penal institutions and found that the prison population had fallen so low that two county institutions had been closed, some branches of the State institutions were shut down, many of the county institutions practically empty, and that great economies could be accomplished if the county jails were consolidated.

The Commission found that the State Prison authorities were willing to accept the transfer of all the inmates of Deer Island without cost to the city, and therefore recommended that the transfer be made and an attempt be made to sell the institution to the State for a new State Prison.

The transfer has not been made, though the pay roll of the institution has been reduced materially since the recommendation of the Commission, and the mayor has taken steps, on the recommendation of the Commission, to place before the proper authorities the desirability of the institution as a location for a State Prison. On the basis of the expenditure of the current year, the closing of the institution would effect a saving of \$200,000 annually. If Deer Island can be sold to the State, a very substantial sum should be realized, which could be applied to the reduction of the debt of the city.

The Charles Street Jail.

This building is nearly one hundred years old. There has been for several years an agitation for improvements in the building, the most serious criticism being of the "bucket system," so called.

A loan order for \$150,000 for improvements at the jail was passed during the closing days of Mayor Curley's administration, but the bonds were not then issued. This was not done until after a report by the Commission on April 21, 1919, that the repairs and alterations contemplated should be made.

Bids were called for and the cost was found to be greatly in excess of the amount of the loan. The Commission then withdrew its recommendation and on Oct. 18, 1919, in view of the low prison population in all the institutions throughout the State and the apparent effect of prohibition, recommended that the expenditure, which it then appeared would be in excess of \$300,000, be not made. The Commission believed that the expenditure should have been postponed until conditions became settled and it was found what was to be the policy of the State toward the consolidation of the penal institutions.

Purchase of Oil by the Supply Department.

The Commission has investigated the purchase of non-asphaltic road oil by the supply department for the street cleaning division of the public works department, and found that the charter provisions, requiring the advertising of all purchases amounting to over \$1,000 unless written authority to dispense with the advertising was obtained from the Mayor, had been disregarded.

The American Oil Products Company, as the lowest bidder, was awarded an advertised contract for 40,000 gallons of non-asphaltic oil at 8.45 cents per gallon, the oil to comply with specifications furnished by the bidder. In order to demonstrate the superior quality of an oil on which he had bid to supply the city at 9.90 cents a gallon, this contractor shipped one car of the higher priced oil at his contract price. The division engineer, Edward F. Murphy, testified that he

found the higher priced oil to be superior and recommended it to the commissioner of public works. Subsequently, 42 cars were purchased, containing approximately 360,000 gallons, from this contractor at 9.90 cents a gallon.

The contractor, Matthew P. Scullin, who did business under the name of the American Oil Products Company, testified falsely before the Commission as to certain alleged charges by the Tide Water Oil Company to him, in an attempt to justify the billing to the city of a larger number of gallons than was billed to him by the Oil Company.

The failure of the superintendent of supplies to conform to the charter requirements was flagrant and he was discharged by the mayor. The detailed facts of this investigation are set forth in the report of the Commission. Since the date of that report, additional facts have been brought to the attention of the Commission and the investigation has been reopened.

The Printing Plant.

An investigation of the printing plant disclosed that the present superintendent has conducted the business of the plant on a business basis. The number of employees has been kept within proper limits during the months of normal activity and additional employees put on during the rush period. Stationery supplies have been bought economically and unused space has been sublet for \$2,100 a year. The investigation showed that with a change in equipment important savings can be accomplished. The superintendent has agreed to make these changes if authorized by the mayor, and believes that a very substantial saving can be thus accomplished.

The Treasurer's Office.

The present city treasurer has adopted a system of paying all bills and a large number of employees paid on monthly rolls by cheque. This change has been urged by the Commission for several years. In addition he has changed the former system of paying City Hall employees at the treasurer's office, which frequently entailed a great loss of time. These payments are now made by the paymasters at the respective offices in City Hall between the hours of 4 and 5 every Friday

afternoon. In addition the office system has been modernized and simplified, reductions made in the number of employees, increases granted to all employees and a saving made in total pay-roll expense. The rate of interest on inactive city accounts has been increased from 3 per cent to $3\frac{1}{4}$ per cent, and on active accounts from $2\frac{1}{2}$ to 3 per cent. These increased rates will yield upwards of \$20,000 a year additional interest payments to the city.

The Finance Commission desires to commend the superintendent of printing and the city treasurer upon the administration of their respective offices.

Market Leases.

The market leases of Faneuil Hall and Quincy markets expired on Dec. 31, 1918. The Finance Commission called the mayor's attention early in November of that year to the necessity for a restudy of the market situation before new leases were made out. The leases were for a ten-year period and the superintendent of markets had recommended no increase in the rentals for the stalls. The Finance Commission believed this recommendation to be unwise and accordingly advised the mayor of the need for a revaluation of the leases. The study was made and as a result of the gratuitous assistance given to it by three eminent real estate operators in Boston, viz., Francis R. Bangs, Richards M. Bradley and F. Murray Forbes, the Commission submitted a report to the mayor in which the stall rentals were increased 15 per cent, the upper stories raised from \$7,186 to \$22,269.55, and in addition new charges made for the sub-sidewalk space around the two buildings. This increased rental will net the city the additional sum of \$397,247 for the ten-year period of the leases.

Abolition of the Power Plant in the City Hall Annex.

In 1912, when the City Hall Annex was being constructed, the Finance Commission advised the city authorities to purchase the electric current for elevator and lighting facilities from the Edison Electric Illuminating Company as such service would be cheaper and more economical for the city than the installation and operation of an independent plant.

The advice was not followed and the city installed its own power plant. The cost of the plant has risen each year. In 1919 the Finance Commission pointed out the extravagance of the city in its maintenance of this plant and again urged the transfer of the service to the Edison Electric Illuminating Company in order to save the city's money. Again the advice was not heeded and the city continues to support the more expensive arrangement.

Abolition of Office of Clerk of Committees.

Another possible reduction in the city's expenditures was called to the attention of the city government on September 20 on the death of the incumbent of the office. The Legislature of 1909 had abolished by section 1 of chapter 486 of the Acts of 1909 the office of clerk of committees as an unnecessary adjunct of the city's service. The city council, however, was allowed to employ certain assistants and immediately added the clerk of committees to its staff. Beside the clerk there is an assistant clerk of committees as well as a city clerk and an assistant city clerk. The Commission urged the city council not to fill the vacancy, pointing out that the assistant clerk of committees or the assistant city clerk would amply fill all the duties of the office and thus save this salary for the legitimate city needs. The position was filled.

The Removal of the North End Yard.

The North End yard of the public works department is situated in a very valuable and growing district of a high-class residential character. A short distance away is another yard, called the West End yard. A consolidation of the two would in time effect many lessened charges and enable the department to use the supervising officials of the former yard in other services of the department. It would also allow the city to dispose of the land at a very good price and thus bring the land into the taxable lists, unless it were purchased by the Massachusetts General Hospital Association. The Commission pointed out these advantages to the city authorities, but the reform remains unadopted.

Installation of Oil-burning Equipment.

The Commission made a study of the advisability of installing oil-burning equipment in city buildings so as to do away with the use of coal for heating purposes. It first studied the question for the City Hospital and recommended that oil-burning equipment be purchased for the hospital department. This recommendation is in line with the progressive action of public and private corporations which are installing these devices in their institutions. The Harvard Medical School and many mercantile buildings downtown have installed the system to great advantage. The City Hospital trustees are now considering the matter.

Faulty Specifications for Collection of Refuse in Contract Districts of the City.

In some districts of the city refuse is collected by the labor forces of the city. In others, it is collected by contractors, who have contracts for the same with the city. These contracts are made yearly, in January or February. Formerly, the sum paid was based upon a monthly rate for doing the work under contract, which required regular collections of garbage twice a week and of general refuse once a week.

Last year the monthly lump sum payment was discarded in favor of a new system, which provided for a payment per cubic yard by the contractor. The easy possibility of complicity between contractors and inspectors as to the size of the loads and their number was so apparent that the Finance Commission called the mayor's attention to the need for revising the specifications so as to render such a combination impossible. The mayor declined to adopt the Commission's view and the new system was installed. The Commission's predictions have been fulfilled, with the result of an increased cost of \$45,000 a year with no increase in the efficiency of the service. Thus the collections in the Dorchester district show for the years 1915 to 1918 a uniform number of cubic yards collected, but under the new system in 1919, when the contractor was paid on the cubic yard basis, the number jumped from 135,130 cubic yards of ashes in 1918 to 175,000 in 1919,

and from 17,304 cubic yards of garbage in 1918 to 30,000 in 1919. Evidence obtained by the Finance Commission shows that neither increased efficiency nor more frequent collections have resulted from the change. The Finance Commission has again called the city officials' attention to the fulfillment of the Commission's warnings and the necessity for revising the specifications in order to eliminate for this year the added expense of these collections.

Street Pavements and the Purchase of Large Asphalt Mixing Plant.

During the past two years an unusually large portion of the city's expenditures for paving has been devoted to the repaving with granite or wood block of the granite paved streets in the downtown, congested district. This work has been done almost entirely by contract and the expense has necessarily been large. The Finance Commission believes that in many cases the city could, with economy, have reused the old granite paving blocks by turning them over and so placing them that the unworn lower surface would be uppermost, which would have resulted in a very large saving.

The only large areas so paved are the portions of Atlantic Avenue between Dewey Square and Broad Street and Commercial Street from Atlantic Avenue to Washington Street North. A saving of approximately \$65,000 was made from the area in question, and a proportionately greater saving would have been accomplished had the policy been followed for the entire length of Atlantic Avenue and other streets in which the old blocks were suitable for relaying.

In the Back Bay and suburban districts comparatively large areas have been resurfaced, by contract, with bituminous sheet pavements of the sheet asphalt, Topeka and bitulithic types. These pavements require the use of expensive mixing machinery at a cost beyond the means of the ordinary small contractor. As a result, the work has been divided among three firms possessing such mixing machinery, and contractors to whom these firms were willing to sell mixed material.

The Commission has studied the matter and finds that many cities have installed mixing plants and thereby accomplished great economies in the cost of their bituminous pavements.

The Finance Commission recommended that the city of Boston purchase a plant and furnish the mixed material for laying to contractors at standard prices. This policy has been adopted with success by a number of cities in the West. If such policy is adopted the Finance Commission believes that the city of Boston could save at least 50 per cent in the cost of its bituminous pavements.

Street Contracts and Street Pavements.

On account of the rapidly increasing use of pavements involving the use of bituminous materials, the Finance Commission has given especial attention to specifications for such materials and the forms of contracts used for such work. During the past year the recommendations made in various reports of the Finance Commission that all types of bituminous pavements having substantially equal merits be admitted in equal competition have been in general followed by the responsible officials of the public works department. Unfortunately, there have been many cases of lax supervision and inspection, and, as a result, the work as a whole has not been of such a durable character as might have been secured without additional cost.

A particularly flagrant case was called to the attention of the Commission in connection with the placing of sheet asphalt pavements in Smith and Conant streets in the Roxbury district. Although all of the well-known precautions necessary to secure a suitable pavement were violated, it was only after a report made by one of the most prominent experts in the country in that class of work had completely sustained the previous report by the Finance Commission that it was orally agreed by the city officials that the imperfect work should be removed and relaid at the expense of the contractor during the ensuing season.

As regards the purchase of bituminous materials for use by the day labor force of the public works department, the Finance Commission has consistently advocated its policy of allowing free competition between all materials of substantially equal merits. Nevertheless, the practice of advertising for bids for proprietary bituminous materials which can only be furnished by a single company, or of buying such articles without the form of competition, still continues to a marked extent, and as

a result a considerable amount of money is being wasted annually in the purchase of goods having no merits over the goods of other manufacturers that might be purchased at a much less price.

The specifications for the annual contract for repairing bituminous streets, as has been the custom for at least two years past, were advertised in a form that made the specifications particularly susceptible of manipulation to the benefit of a favored bidder. As a result of the report of the Finance Commission, pointing out the weaknesses of these specifications, new contracts were prepared and bids were received which were undoubtedly more economical to the city than would have been the bids received under the original specifications. In some other cases, also, notably as regards the specifications for wood block pavement and for building a portion of the Stony Brook conduit, the commissioner of public works has shown a commendable willingness to make changes in specifications in compliance with criticisms and recommendations of the Finance Commission.

Respectfully submitted,

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